

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE TOWN OF PAYSON, ARIZONA
AND
THE TOWN OF STAR VALLEY, ARIZONA
REGARDING
THE DEVELOPMENT AND USE
OF WATER RESOURCES**

THIS INTERGOVERNMENTAL AGREEMENT ("IGA") is made and entered into effective the ____ day of _____, 2006, by and between the TOWN OF PAYSON, an Arizona municipal corporation, hereinafter referred to as "Payson", and the TOWN OF STAR VALLEY, an Arizona municipal corporation, hereinafter referred to as "Star Valley," collectively, the "Parties."

RECITALS

- A. Star Valley and Payson both currently rely on local groundwater resources.
- B. Star Valley and Payson desire to manage and maintain their respective water resources in a long-term state of Safe Yield.
- C. Payson has made an estimate of the long-term Safe Yield of its current groundwater supplies.
- D. Payson has commissioned a study of the long-term Safe Yield of the groundwater resources available within Star Valley so that an estimate of the Safe Yield of the groundwater resources within Star Valley will be known.
- E. Star Valley and Payson share a mutual interest in the long-term availability of water resources for their respective current and future residents.
- F. Payson has developed wells within Star Valley consisting of the PW2 Well and the Tower Well ("the Wells").
- G. Groundwater levels within both Star Valley and Payson are highly variable over time.
- H. The collaboration of Star Valley and Payson in regard to procurement of new water supplies will mutually benefit both entities.

NOW, THEREFORE, the Parties hereby agree as follows:

- 1. Intergovernmental Agreement. The Parties are empowered to enter into this IGA by the provisions of A.R.S. § 11-951, *et seq.*
- 2. Limitation on Withdrawal of Groundwater. Star Valley and Payson each agree to not withdraw groundwater from Star Valley in an amount in excess of the Safe Yield of groundwater available to Star Valley as defined by the groundwater sustainability/safe yield study commissioned by Payson.
- 3. The Safe Yield Study. Payson has commissioned a groundwater sustainability/safe yield study of the availability of water within Star Valley (the "Study"). The Parties agree to abide by the results of that study. So long as there is no negative effect as defined in